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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-442, OMB Control No. 3235-0498]

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:

Securities and Exchange Commission

Office of FOIA Services

100 F Street, NE

Washington, DC 20549-2736

Extension: Rule 17a-12/Form X-17A-5 Part II

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 17a-12 (17 CFR 240.17a-12) and Part II of Form X-17A-5 (17 CFR 249.617) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 17a-12 is the reporting rule tailored specifically for over-the-counter (“OTC”) derivatives dealers registered with the Commission, and Part II of Form X-17A-5, the Financial and Operational Combined Uniform Single (“FOCUS”) Report, is the basic document for reporting the financial and operational condition of OTC derivatives dealers. Rule 17a-12 requires registered OTC derivatives dealers to file Part II of the FOCUS Report quarterly. Rule 17a-12 also requires that OTC derivatives dealers file audited financial statements (“audited report”) annually.

The reports required under Rule 17a-12 provide the Commission with information used to monitor the operations of OTC derivatives dealers and to enforce their compliance with the Commission's rules. These reports also enable the Commission to review the business activities

of OTC derivatives dealers and to anticipate, where possible, how these dealers may be affected by significant economic events.

There are currently five registered OTC derivatives dealers. The staff expects that three of those firms will register as Security-Based Swap Dealers within the next three years and therefore will no longer be subject to Rule 17a-12. Thus, only two OTC derivatives dealers will be subject to the requirements of Rule 17a-12. The staff estimates that the average amount of time necessary to prepare and file the quarterly reports required by the rule is eighty hours per OTC derivatives dealer¹ per year and that the average amount of time to prepare and file the annual audited report is 100 hours per OTC derivatives dealer per year, for a total reporting burden of 180 hours per OTC derivatives dealer annually. Thus the staff estimates that the total industry-wide time burden to comply with the requirements of Rule 17a-12 is 360 hours per year (180 x 2). The Commission estimates that the average annual cost per OTC derivatives dealer for an independent public accountant to examine the financial statements is approximately \$46,300 per OTC derivatives dealer. Thus, the total industry-wide annual cost burden is approximately \$92,600 (\$46,300 x 2).

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

¹ Based upon an average of 4 responses per year and an average of 20 hours spent preparing each response.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John R. Pezzullo, 100 F Street, NE Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: November 3, 2021.

J. Matthew DeLesDernier,

Assistant Secretary.

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